



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

March 23, 2005

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To: Supervisor Gloria Molina, Chair  
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From: David E. Janssen  
Chief Administrative Officer

**SACRAMENTO UPDATE**

**Assembly Select Committee on Los Angeles Health Care Crisis**

The next hearing of the Select Committee has been scheduled for April 1, 2005 at the Los Angeles Area Chamber of Commerce, 350 South Bixel Street, Los Angeles, from 9:30 a.m. to 12 noon. The title of the hearing is "The Financial Impact and Consequences of the Los Angeles County Health Care Crisis." Staff from my office and the Department of Health Services have been requested to participate on a panel with other witnesses.

**Pursuit of Position on Workers' Compensation Legislation**

**AB 613 (Mountjoy)**, as introduced on February 17, 2005, would establish a higher burden of proof for the determination of "job relatedness" in workers' compensation cases. Under current law, an injury is deemed compensable (job related) if the job contributes in any manner or degree as the cause of the injury. AB 613 would provide that for an injury to be deemed compensable there must be a preponderance of evidence that employment activities were the predominant causes of the injury.

CAO Risk Management indicates that AB 613 would change the existing burden of proof for workers' compensation claims and would enable many "borderline" cases to be successfully defended. Although it is difficult to estimate accurately the bill's fiscal impact, CAO Risk Management estimates that its passage could result in a 2 percent to 4 percent reduction in County workers' compensation costs, or approximately \$6 million to \$12 million annually. Existing Board policy is to oppose legislation to eliminate existing requirements that employees demonstrate on-the-job exposure to qualify for workers' compensation. **Since AB 613 would establish a higher standard of proof, our Sacramento advocates will support the bill.** AB 613 is similar to County-supported AB 431 (Mountjoy) which failed passage in the Assembly last session.

According to the author's office, AB 613 is sponsored by the Independent Business Association, and there is no opposition recorded to date. The bill was referred to the Assembly Committee on Insurance and has yet to be scheduled for a hearing.

**AB 642 (Negrete McLeod)**, as introduced on February 17, 2005, would create a job-related presumption for workers' compensation for an injury or death as a result of a vaccination or medication given to prevent infection from a biochemical substance. Under the bill, the employer would be liable even if the vaccination is procured solely by the employee without direction of the employer.

Last year, the Governor vetoed a similar bill, AB 968 (Correa), because illnesses contracted as a result of vaccinations required by the employer, are already compensable under existing workers' compensation law, and the bill did not limit liability to those instances when a vaccination or medication is administered at the request or direction of the employer. CAO Risk Management indicates that AB 642 should be opposed unless amended to specify that the vaccination or medication was administered by or at the direction of the employer because of required duties that place the employee in the position of potential exposure to a biochemical substance or blood-borne infectious disease. **Therefore, our Sacramento advocates will oppose AB 642 unless amended to limit liability to those instances where injury or death is a result of an action by the employer.** This position is consistent with Board policy to oppose legislation that creates a new presumption mandating that certain injuries, illnesses, diseases, or physical conditions that an employee may develop are job-related for workers' compensation.

AB 642 was referred to the Assembly Committee on Insurance, and has not been scheduled for hearing. There is no recorded support or opposition.

**AB 1331 (Umberg)**, as introduced on February 22, 2005, would exempt public safety employees from certain elements of the workers' compensation reform enacted last year.

Among its many provisions, County-supported SB 899 (Poochigian) enacted last year established an apportionment of employer liability for job-related injuries among common individual workers. Specifically, under the new law, a physician who prepares a report addressing the issue of an employee's permanent disability due to a claimed industrial injury is required to address the issue of causation. The employer's liability is limited to the percentage of permanent disability directly caused by the injury. SB 899 also completely repealed the presumption of the correctness of a treating physician's diagnosis, and now allows employers to dispute diagnoses regardless of date of injury.

AB 1331 would exempt state and local public safety personnel from these new reforms. CAO Risk Management notes AB 1331 would greatly increase the County's workers' compensation exposure and recommends that the bill be opposed. **Therefore, our Sacramento advocates will oppose AB 1331.** This position is consistent with Board

policy to oppose proposals that expand presumptions, and/or weaken requirements that employees demonstrate on-the-job exposure in order to qualify for workers' compensation.

AB 1331 was referred to the Assembly Committee on Insurance, and has not been scheduled for hearing. There is no recorded support or opposition.

### **Status of County-Interest Legislation**

**County-support if amended AB 109 (Chan)**, which would require county First 5 commissions to: 1) adopt policies regarding conflict of interest, and contracting and procurement procedures; 2) adopt a limit on the amount of its operating budget that can be spent on administrative functions; 3) adopt policies and processes establishing the salaries and benefits of employees of the county commission; and 4) send its annual audit and report to the State First 5 Commission and allow the State Commission to withhold the county commission's share of tobacco tax revenues for failure to submit the data, passed the Assembly Health Committee on March 16, 2005 by a vote of 12 to 0. The author has committed to work with First 5 LA to address concerns related to evaluation guidelines established through the State Commission. This measure now proceeds to the Assembly Appropriations Committee.

**County-opposed SB 34 (Florez)**, which would require that the majority of the membership of the county First 5 commissions consist of persons who do not represent a county, passed the Senate Local Government Committee on March 16, 2005 by a vote of 4 to 2, and will now proceed to the Senate Floor.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:EW:ib

c:      Executive Officer, Board of Supervisors  
         County Counsel  
         Local 660  
         All Department Heads  
         Legislative Strategist  
         Coalition of County Unions  
         California Contract Cities Association  
         Independent Cities Association  
         League of California Cities  
         City Managers Associations  
         Buddy Program Participants